

***Testimony from Dr. Wanda Cook-Robinson, Superintendent of Oakland Schools***

February 9, 2016

First and foremost, let me state that I am a proud graduate of the Detroit Public Schools. I support a fix for the Detroit Public Schools educational system. However, the Detroit Plan must be a comprehensive one.

It must be a plan that solves the DPS problem once and for all, addresses the charter school issues both in and around Detroit and across the State, and it must include support for Pontiac, Flint, Benton Harbor and all of the other distressed educational systems in Michigan.

In short, the focus must be a concerted effort to support a fix for the total educational system of Michigan.

We (educators) are ready and willing to do the hard work, to lead on tough issues like early warning, evaluations, and third grade reading. We welcome opportunities to work collaboratively and side by side with our legislators to improve our educational system.

In my previous position as the Superintendent of Southfield Public Schools, I faced many of the issues encountered in urban districts like Detroit Public Schools. I frequently hoped for relief of the daily system pressures that took my attention away from the teaching and learning of children; and often I longed for the same authority held by the emergency manager in my neighboring district. But no EM powers were granted to me by the legislature and no bailout came.

My team and I, with the support of the ISD, were able to ward off a looming deficit, work collaboratively with teachers, parents, community members and our unions to increase student achievement, and create a successful plan to support continued, sustainable progress and success for our students.

Consider Pontiac, for example. Operating under a Consent Agreement since 2013, the district has made tremendous progress by collaborating with Treasury and the ISD, all while retaining a locally elected Board of Education.

The district's deficit in June 2015 was much larger than the DPS deficit on a per pupil basis (PSD at \$7,634 per pupil and at DPS \$4,579 per pupil). Today, the deficit has been cut by 35%, enrollment is stabilizing, and test scores are up.

All of this accomplished without a bail out.

Superintendents can lead districts to increase student achievement within a positive, sound financial framework and keep their districts on track. I know because, I've seen it work.

While we face this impending crisis in Detroit, let's take this opportunity to work to improve our educational system in Michigan. I urge you to continue to improve these bills.

Specifically please consider the following:

- Minimize the winner and loser outcomes in this endeavor. The scope and scale of the DPS crisis does make it qualitatively different than what we face elsewhere, but I fear it is a very large canary in a coalmine. I know you will continue to be very cautious about the consequences this plan will have on other districts.
- Show your work on funding. The taxpayers of the state of Michigan deserve to know exactly where the funding for this plan will come from and at what expense. To the best of your ability, please do not move forward until we know exactly how this is being paid for.
- Related to that, we need full transparency for all funding and expenses incurred by any of the entities that ultimately are put in place. This transparency should include a posted check register of the potential \$200M in transition, startup costs.
- Furthermore, I urge you to continue to think very carefully about potential outcomes in other costs, not just School Aid Revenue expenditures—legacy cost in particular.

In the interest of time, I have submitted with this written testimony a list of other policy changes I would ask you to consider. Thank you for listening to, and considering my input.

## ***Policy Changes to Consider***

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1. Require full transparency and public disclosure of—ALL of the payments made for Debt elimination and Transition costs. Taxpayers deserve to know what these payments are for. Similarly, the legislation should make it clear who is accountable for determining allowable costs for Debt and Transition costs. The language we have seen so far leaves a great deal up to interpretation.
2. Eliminate the statewide aggregate cap on emergency loans, or increase the amount substantially.
3. Eliminate the \$20 million per school district cap on emergency loans by the State to deficit school districts. The Treasury should determine the amount needed and when.
4. Provide more Special Education funding for ANY school district or PSA whose concentration of Special Education FTE as a percent of the total FTE is more than 133 % of the state average or whose special education cost as a percent of total expenditures exceeds 133 % of the state average. This can be done through a new "Concentration" categorical for Sec. 51 (c) funding. Data clearly shows that DPS and districts around DPS have Special Education costs as a percent of total spending that is more than three and some even four times greater than at the charter schools in the same area.
5. Provide more Sec. 31 (a) at-risk funding per pupil for any school district or PSA whose concentration of at-risk students exceeds 60% of total FTE enrollment. This can be done by changing the at-risk funding for each such pupil in a district or PSA with a high concentration to 16.5% of the district foundation instead of the 11.5% in state law now.
6. Provide additional school transportation funding for districts whose special education or regular education transportation costs as a percent of total spending exceed 133% of the state wide average during each of the last 2 fiscal years.
7. Make ALL school districts and PSAs eligible for Sec. 31 (a) at-risk funding. Many hold-harmless districts now have very high levels of poverty and yet they receive ZERO at-risk funding.
8. Level the playing field with meaningful charter reform. There is irrefutable evidence the charter school policies have led to a huge cost advantage for charter schools with respect to pension costs, Special Education costs and transportation costs. The cost data is available to drive the policy changes that are needed. The time has come for fact finding on the cost advantage that charter schools now enjoy.

9. If ANY district which is in deficit fails to pass a non-homestead millage renewal before such millage expires then current state law allows a judgment levy to be levied against ALL the taxable property in that district in order to pay the debts owed only to the State. This approach leaves other creditors out in the cold. Such a situation is harmful to the credit rating for all debt issuances in the State. All of the operating debt owed by a district which cannot pass the election needs to be paid, in full, and not just the debt owed to the State.
10. Fully examine the restructuring and possible refinancing of all DPS debt in order to reduce the number of years the 18 mil, non-homestead millage is used for payment of debt.
11. Ensure additional stranded costs within MPSERS do not occur as a result of the DPS fix. The current situation is bad enough already.
12. Fully investigate, identify and report the reasons for charter schools having a substantially lower than average special education cost per pupil and a lower than average Special Education FTE as a percent of total FTE.